



City of Wichita's HOMEownership 80 Program First-Time Homebuyer Assistance

The City of Wichita sponsors a homeownership program that assists persons/families with low- to moderate-incomes in buying their first home. The first-time homebuyer assistance consists of two zero-interest, deferred (no monthly payments) loans.

Facts About Deferred Loan 1

- Secured as a zero-interest, deferred* second mortgage on your new home.
- Assists you in meeting your **down payment** and/or **closing costs** obligations.
- *Maximum* amount of loan is **\$6,000** and the amount you receive will depend upon your mortgage lender's requirements.
- One-half of this loan will be forgiven following a period of 5 years provided you own and occupy the home during the entire 5-year period.

Facts About Deferred Loan 2

- **If utilized**, it is secured as a zero-interest, deferred* third mortgage on your new home.
- Used *only* for repairs authorized by the City *after closing* on the home for a limited time.
- *Maximum* amount of loan is **\$5,000** and the amount you receive will depend upon the cost of repairs.
- This loan is **not to be used for** Health and Safety code violations identified *prior to purchase*. These types of repairs are required to be paid for and completed by the seller prior to closing.
- This loan is forgivable after 5 years, provided you own and occupy the home during the entire 5-year period.

These zero-interest, deferred loans are secured as a second and a third mortgage on your new home and are payable to the City when you sell your home, no longer occupy your home as a primary residence, or upon refinancing your first mortgage.

The Following Criteria Must Be Met For Participation In The Program:

- Applicants must not have owned a home within the last three years unless they are single parents with custody of minor children.
- Program applicants should have a credit history free of delinquent obligations, and have a *demonstrated ability to qualify* (a.k.a. pre-qualify) for a first mortgage loan with an approved lender.
- Applicants must be able to provide \$1,000 of their own money to complete the home purchase.
- Household income may not exceed the following amounts, based on household size.

1 - \$34,250	2 - \$39,150	3 - \$44,050	4 - \$48,950
5 - \$52,850	6 - \$56,800	7 - \$60,700	8 - \$64,600

Properties Eligible for the Program:

- Are more than one year old. (For new construction, see our "New Construction and Infill Housing Incentives" program.).
- Are located within the City's Redevelopment Incentives or Local Investment Areas* (See Map).
- Sell for \$85,700 or less.
- Are free from Health and Safety Defects and meet City Codes as determined by an inspection performed by a City of Wichita Housing Services Inspector.

NOTE: HUD homes, homes sold under installment sale agreements (owner carry), or homes sold under Contract for Deed agreements ARE NOT ELIGIBLE FOR THIS PROGRAM!

READ BEFORE FILLING OUT THE HOME 80 APPLICATION!

1. Submit an application to the Housing and Community Services Department. You can pick up an application at our office located at 332 N. Riverview or access the application on our website at www.wichita.gov/CityOffices/Housing/.
2. Attend and complete a city-sponsored homeownership training session. You can register for one of these sessions by contacting Mennonite Housing at 942-4848, Community Housing Services at 685-2656, Urban League at 262-2463. You may be charged a nominal fee to attend this training.
3. After submitting your application, your income and credit will be verified by the HOME 80 program staff. Applications that are incomplete or that do not include **ALL** of the requested documentation **WILL BE DELAYED**. Therefore, *it is imperative that you review your application BEFORE submission* and be sure that you include ALL the information the application specifically requests, including signatures.
4. When your application is approved, you will receive your HOME 80 funding **commitment letter** from the HOME 80 program stating that you are approved to purchase a home. If you are not approved you will receive a **declination letter** in the mail.
5. When/If you are approved for the HOME 80 program you will need to schedule a “pre-qualifying” appointment with a reputable lender (e.g., mortgage company, bank, etc.) offering competitive interest rates if you have not done so. There is a possibility that you may have to resolve some credit problems or other home financing issues prior to qualifying for a home loan.
6. Once you pre-qualify for a loan, begin shopping for an existing home that fits your budget and needs.

IMPORTANT: Homes built prior to 1978 are presumed to have lead-based paint. Be wary of homes exhibiting defective (i.e. chipping, peeling, scaling, cracked, blistering) paint. Lead-based paint can be a health hazard to you and any children in the household, and will likely cause the house NOT to pass the City’s inspection. If the house does not pass inspection, you cannot purchase the home.

7. The City must notify your seller in writing that you will be getting assistance with your purchase! Therefore, you must contact the HOME office at 462-3766 **before** your seller signs a contract so that we can send a Relocation Letter to you or your realtor. **If you neglect to inform the City that you and your seller intend to sign a purchase agreement without notification, the property may no longer be eligible under our program.** Federal rules regarding lead-based paint and relocation apply to your subsidy and require the advance notification of assistance.
8. **A copy of the purchase contract signed by all parties and the original relocation letter signed by the seller must be provided to the HOME office.** Our staff will then request the City inspection. If our inspection reveals that deteriorated paint is present in the home, the seller will be required to correct this problem, as well as other health and safety defects. The seller may not be willing to contractually commit to doing so. **You CANNOT purchase a home with the City’s financial assistance that does not pass the City’s inspection.**
9. Once you have a property under contract, you must obtain a commitment for a first mortgage loan from a lender. Please have your lender send a copy of the “**good faith estimate**” to our office.
10. Close on the loan and the purchase of your home. It is now your pleasure and responsibility to make all monthly payments. As stated on the opposite side of this form, the zero-interest, deferred loan(s) you receive from the City are secured by a second mortgage for the down payment and closing costs loan, and, if utilized, a third mortgage for the City-approved repairs loan. **You will be required to repay the deferred loans in full at the time of resale, or when you cease to use the property as your principal residence, or when you refinance your first mortgage.** The loan provided for the City-approved repairs will be forgiven after a period of 5 years from the date of the original purchase provided the original HOMEownership 80 buyer occupies the home and has occupied the home during that time. In addition, one-half of the loan provided for **down payment and closing costs** will be forgiven at that time.

(Keep this sheet for your records before submitting the application.)



CITY OF WICHITA
Housing Services Department
(New Application Effective 07/01/05)



☐ **HOMEownership 80**

New Construction Infill

Other

Thank you for applying for assistance under one of the City's HOMEownership Assistance Programs. Please read the application carefully and supply all required information and documentation. Applications, which are incomplete, lacking documentation or are not signed and dated by each applicant, may not be processed.

SECTION I - Personal Information

☐ **Yes, I've read and understand the attached informational flier that explains the City's program in detail. I am aware of all the requirements and limitations of the program.**

1. Applicant

Soc.Sec.# -- -- Home Ph# Work Ph#

Are you a citizen or national of the United States? Yes No

2. Coapplicant

Soc.Sec.# -- -- Home Ph# Work Ph#

Are you a citizen or national of the United States? Yes No

Current Address

Zip Code

Own or Rent? How long at this address? Years Months

Is this a **Public Housing Unit** or are you **receiving Section 8 Assistance**? Yes No

Marital Status

Married

Unmarried

(Including Divorced, widowed, single)

Legally Separated

Landlord Name

Current **Monthly** Rent \$

Landlord Address

Last, Previous Address

Zip Code

Own or Rent? How long at this address? Years Months

Names and ages of those living with you six months or more of each year:

Number of cars owned

Make(s) and Year(s)

SECTION II - Work History

1. **Applicant's** Current Employer:

Start Date / /

Address

Annual income \$

Do you receive overtime?

Monthly Gross \$

Do you receive child support? Yes

No

Amount \$

per

Attach copies of your 2003, 2004, and 2005 Federal Income Tax Forms. Provide all supporting tax schedules, 1099 forms for all three years and your W-2 forms for 2004 only. You must attach a copy of your most recent paycheck stub(s), monthly checking statement, and/or savings account statement. This information is needed to determine your eligibility to participate in this program as a low-income, first-time homebuyer.

Previous Employer

Address

Dates: From

To

Annual Income \$

Additional Income: Attach copies of supporting documentation, such as W-2s, 1099s, benefit statements, award letters, certificates of deposit, bonds, and any other interest bearing investment.

Source

Annual Amount

Source

Annual Amount

2. **Co-Applicant's** Employment

Current Employer

Start Date /___/

Address

Annual income \$

Attach same supporting documents as required by Applicant 1

Previous Employer

Address

Dates: From

To

Annual Income \$

Additional Income: Attach same supporting documents as required by Applicant 1

Source

Annual Amount

Source

Annual Amount

SECTION III - Financial Information

Name of Bank

Address

Account # Balance \$

Account # Balance \$

PRESENT CREDITORS You MUST INCLUDE ALL installment and revolving accounts, term loans, day care payments, child support payments, alimony payments, etc.

<u>Name &Address</u>	<u>Loan/Acct No.</u>	<u>Balance</u>	<u>Payment</u>
	#	\$	\$
	#	\$	\$
	#	\$	\$
	#	\$	\$
	#	\$	\$
	#	\$	\$

(Use the back of this page to list any additional creditors.)

Have you ever filed for bankruptcy?

If yes, when?

Have you ever owned any real estate?

Did any ownership of real estate result in

foreclosure or similar action?

If yes, please explain: (Use the back side of this page

for additional space)

ASSETS

IRA Accounts Value

Stock Holdings Value

Bond Holdings Value

Real Estate: Address _____

Current Value \$ Balance owed \$

Whole Life Insurance Cash Value

SECTION IV - Federal Reporting: The following information is requested by the Federal Government for certain types of loans related to a dwelling, in order to monitor the Lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws.

BORROWER

Ethnicity: (Select only one)

Hispanic or Latino
Not Hispanic or Latino

Race: (Select one or more)

American Indian/Alaska Native
Black or African American
Asian
White
Native Hawaiian/Other Pacific Islander

CO-BORROWER

Ethnicity: (Select only one)

Hispanic or Latino
Not Hispanic or Latino

Race: (Select one or more)

American Indian/Alaska Native
Black or African American
Asian
White
Native Hawaiian/Other Pacific Islander

- I (we) certify that the above income and household composition is true and factual to the best of my knowledge and belief. I understand that by providing false information on income and family size, it will constitute a fraudulent action and my (our) application may be denied.
- I (we) understand that submitting this form does not obligate me (us) in any way, nor does it create any obligation by any other participating party or organization to sell me (us) a house.
- I (we) hereby authorize any credit reporting agency to release information to the Housing Services Department, City of Wichita, and/or any participating lender for the purpose of verification: information concerning employment history, banking, landlord, mortgage or consumer loan rating, and any other information deemed necessary in connection with a consumer credit report for a real estate transaction. This information will be kept confidential.

DISCLOSURE STATEMENT

The assistance provided for the down payment and closing costs under the HOMEownership 80 program is provided in the form of a non-interest bearing deferred loan that will be secured by a **second mortgage** against your new home. The assistance provided for property repairs is provided in the form of a non-interest bearing deferred loan that will be secured by a **third mortgage** on your new home. There are no monthly payments required in connection with these loans. Repayment is not required until such time as you cease to use the property as your principal residence, or until you sell the home or refinance your first mortgage loan.

HOMEownership 80 Assistance cannot be provided in connection with Contract for Deed, Contract Sale, or Installment Sale agreements.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

Please return completed application and supply us with all the necessary supporting information. Applications will be accepted at the following location between the hours of 8:00 a.m. and 5:00 p.m.:

Housing Services Department, 332 N Riverview, Wichita, KS 67203, 316/462-3766

This sheet MUST BE completed and returned with application!

Income Worksheet

Income Sources	List <u>MONTHLY</u> income for each	
	Borrower	Co-Borrower
Base Income from Employment (Gross)		
Overtime (Gross)		
Bonuses (Gross)		
Military pay allowances		
Dividends, Interest, Royalties, and Trust Income		
Business Activities or Investments		
Net Rental Income		
Social Security Income (Including Disability)		
Pension, Retirement, Disability Insurance Payments, or Death Benefits		
Veterans Administration compensation		
Unemployment Compensation; Workers Compensation; Severance Pay		
Sick Pay		
Alimony and/or Child Support		
Welfare Assistance		
Regular Contributions or Gifts		
Actual or imputed income from Family assets (including 401K and IRA plans)		
Any other income		
<u>TOTAL</u>		
	<u>x 12</u>	<u>x 12</u>
TOTAL ANNUAL HOUSEHOLD INCOME		

CHILD SUPPORT

Is there currently a child support order in place for any of your children, for whom you are not receiving child support payments? **(check one)** **Yes** **No**

If there is currently no child support order in place, are you pursuing a child support order? **(check one)**
☐ **Yes** **No**

The information on this form is to be used to determine maximum income for eligibility for assistance under a Housing Services Department program. I/We certify that the information above is true and complete to the best of my/our knowledge and belief and is given under penalty of perjury.

Applicant Signature _____ **Date** _____

Co-Applicant Signature _____ **Date** _____

**Authorization for the
Release of Information**

**U. S. Department of Housing & Urban Development
Office of Housing Office of Public & Indian Housing**

**HOME Program
Housing Services Department
332 N. Riverview
Wichita, KS 67203
(316) 462-3766**

Purpose

The U.S. Department of Housing and Urban Development (HUD) and the above named organization and the information obtained with it, to administer and enforce program rules and policies.

Authorization

I authorize the release of any information (including documentation and other materials) pertinent to eligibility for or participation under any of the following programs:

Home Investment Partnerships Program
Low-Income Rental Indian Housing
Low-Income Rental Public Housing
Mutual Help HOMEownership opportunity Program
Rental Assistance Program (RAP)
Rent Supplement
Section 8 FSS Program
Section 8 Housing Assistance Payments Program
Section 23 and 10c Leased Housing
Section 23 Housing Assistance Payments
Section 202
Section 221 (d) (3) Below Market Interest Rate
Turnkey III Homeownership Opportunities Program

I authorize the above named organization and HUD to obtain information about me or my family that is pertinent to eligibility for or participation in assisted housing programs. I authorize only HUD, and Indian Housing Authority, or a public Housing agency to obtain information on wages or unemployment compensation from State Employment Securities Agencies.

Information Covered Inquiries May Be Made About:

Child care expenses
Credit History
Criminal Activity
Family composition
Employment Income, Pensions, and Assets
Federal, State, Tribal, or Local Benefits
Handicapped Assistance Expenses
Identity and Marital Status
Medical Expenses
Social Security Numbers
Residences and Rental History

This form cannot be used to request a copy of a tax return.
Instead use IRS Form 4506

**Individuals/Organizations That May Release
Information**

Any individual or organization may be asked to release information. For example, information may be requested from:

Banks and Other Financial Institutions
Courts
Law Enforcement Agencies
Credit Bureaus
Employers, Past and Present
Landlords

Providers of:

Alimony
Child Care
Child Support
Credit
Handicapped Assistance
Medical Care
Pension/Annuities
Schools and Colleges
U.S. Social Security Administration
U.S. Department of Veteran Affairs
Utility companies
Welfare Agencies

Computer Matching Notice & Consent

I agree that a Public Housing Agency, Indian Housing Authority, or HUD may conduct computer matching programs with other governmental agencies including Federal, State, Tribal, or local agencies. The governmental Include:

U.S. Office of Personnel Management
U.S. Social Security Administration
U.S. Department of Defense
U.S. Postal Service
State Employment Security Agencies
State Welfare and Food Stamp Agencies

The match will be used to verify information supplied by the family.

Conditions

I agree that photocopies of this authorization may be used for the purposes stated above.

If I do not sign this authorization, I also understand that my housing assistance may be denied or terminated.

Print name

Date

SSN

Address

Signature

Print name

Date

SSN

Address

Signature